

LUNCH & LEARN MEETING: Wednesday, February 28, 2001

Alice V. Payne, C.M., M.Sc., LL.D., P.Geol., on:

Quin Kola: Tom Payne's Search for Gold - (The Oil and Gas Connection)

Alice Payne was born in Edmonton, Alberta, educated at Havergal College in Toronto, and earned a B.Sc. and an M.Sc. in Geology from the University of Alberta. After working for fifteen years in the mining industry, she spent another fifteen years as Senior Geologist at Gulf Canada Resources Limited. She has been a consultant to both industry and academia and has published several papers on natural resources. Alice has also served as President of the Canadian Society of Petroleum Geologists, being the first woman to occupy that position. "Quin Cola" is primarily the story of her father's involvement in the gold exploration and mining business, which took place mainly in the Northwest Territories. In 1948, following the excitement triggered by the Leduc discovery, he decided to try his hand in oil and gas. Sound geological judgement led him to interpolate between the Leduc and Redwater discoveries and to predict the presence of additional pools in between. Following the acquisition of freehold acreage along this trend, a successful Nisku oil well was brought in at Excelsior. Stories by Tom Payne, Alan Snell, Robert Folinsbee, Frank Clune and Harold Kesner highlight the twists and turns that accompanied this venture including the founding of Metro Oil and Gas Limited.

Time: Sign-in and Payment at 11:30 a.m., luncheon begins promptly at noon.

Place: Palliser Hotel (133 9th Avenue S.E.) – Oval Room

Cost: \$20 Members, \$22 Guests (most welcome)

R.S.V.P. to Clint Tippett, 691-4274 by noon Monday February 26.

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Annual General Meeting:

March 28 2001

Guest Speaker to be announced.

if you missed the...

**EARLY DAYS OF THE ALBERTA GEOLOGICAL SURVEY
Luncheon**

Wednesday, January 24, 2001

by Dr. Willem Langenberg, author, geologist, researcher

...catch a condensed version of Willem's presentation on page 3

THE PETROLEUM HISTORY SOCIETY
NEWS CLIPS AND ITEMS OF INTEREST

Next Director's Meeting: March 7, 2001 at Shell Centre (via main floor Reception).

Canadian Petroleum Hall of Fame Nominations: Several names have been brought forward and plans are underway for the assembly of the necessary supporting information. Nominations must be submitted by May 31, 2001. There have been fifty-six Hall inductees since the initiation of this recognition in 1997. Forms and a list of members will be available at future luncheons. For more information, contact the Canadian Petroleum Hall of Fame Society 1-780-930-6833 or forward candidate suggestions to Clint Tippett at 691-4274.

Society E-Mail Address: petroleumhistorysociety@canada.com. All members with e-mail service please take a moment to send in your address to Clint Tippett at clinton.tippett@shell.ca.

PHS Membership: Total 91 paid, including 23 Lifetime, 8 Sustaining, 1 Corporate and 59 Individual. Membership payment for 2001 now due (see last page).

Oral History Project: Peter Savage and David Finch met with the new Executive of the Canadian Society of Exploration Geophysicists on December 6, 2000 and reviewed project status. The Society was informed that CSEG will be providing an additional \$12,500 in funding. The Canadian Society of Petroleum Geologists project is nearing initiation. The Alberta Lottery Board has also been approached as an additional source of funding.

Dynastic Chart Project: Amoco and Dome research in progress by Peter McKenzie-Brown, who reports that Canada is the most active jurisdiction in the world for frequency of buying and selling company assets.

National Petroleum Show 2002: The Society considers it valuable to participate and is soliciting Member participation to form a committee to coordinate booth promotion.

Historical Puzzlers: New service to Members. Submit any question (person, place, thing – why, what, who, when) you may have on oilpatch history and our Board will be poled for adequate response. Queries and replies to be printed in this section.

Annual General Meeting: March 28, 2001, Palliser Hotel.

Contest: As we all know, the news media is sometimes prone to printing information that is either slightly or wildly wrong – which can be humorous for industry participants but misleading for the public. In an attempt to enhance the bright side of "Archives" we are initiating a contest to see which such miscues will "take the cake". Prizes to be announced later. We will start out with the quote from The Telegram of St. John's, Nfld. concerning Husky Oil's assessment of the potential for gas and associated liquids production from the White Rose Field. Referring to a potential gas plant at the Come by Chance Refinery, the columnist Pat Doyle states that it will be built to "remove approximately **45 million barrels a day** of natural gas liquids". Perhaps these are the entire reserves? No wonder they think it's economic!

EARLY DAYS OF THE ALBERTA GEOLOGICAL SURVEY(A.G.S.): 1921-1949
Presented by Dr. Willem Langenberg, Ph.D., P. Geol., to the Petroleum History Society
Luncheon Meeting - 24 January 2001
(by Neil Leeson, Director, P.H.S.)

Most of us are guilty of taking our oilpatch for granted, particularly when we are first introduced to the industry. The reality is we owe our good fortunes to creative and courageous personalities that preceded us by up to a century. Our skills, knowledge and leadership in oil and gas development command global respect and attention. Canada's recognition has evolved from the contributions and sacrifices of our veterans. To be reminded of this once in a while should be welcomed and considered a privilege.

"Today's energy industry focus is the sustainable development of remaining natural resources. A century ago oilpatch pioneers were more concerned with identifying and mapping potential oil, gas and coal reserves that were yet to be discovered, let alone assigned value, use and environmental impact.

One of the earliest pioneers, and first Director of the Geological Society of Canada, was geologist George Dawson. Besides lending his name to the communities of Dawson Creek and Dawson City, George is also credited with extensive research into coal reserves, fossil/dinosaur bone discoveries and outcrop mapping. He utilized numerous tar seeps near Ft. Edmonton to satisfy the growing need for wagon wheel grease and to drill several 900 meter Devonian wells in 1894, just missing the Redwater and Swan Hills Fields but discovering natural gas in the Viking as the result of a blowout. One of his field assistants was an unknown named Tyrrell, whom we now recognize as the father of Drumheller paleontology

By 1921 demand for organized resource research and development led to creation of the Alberta Geological Survey, headed by Quebec native Dr. John Allan, head of the Geology Department of the University of Alberta (U. of A.). Using University personnel, he stressed practical application of resource development. The A.G.S. evolved into the Alberta Research Council (A.R.C.), which in 1995 became the Geological Survey Department of the Alberta Department of Energy. Dr. Allan served as U. of A. Professor for 40 years, 37 as head of Geology. He was known for his ethical principals and love of the Rockies. Despite being short, he was a strong climber and in great physical shape. His legacy became Mount Allan. Unyielding humanitarian gestures in finding work for his students were his trademarks. He was a gifted field geologist and is well known for his detailed reports to the A.R.C., from which he retired in 1949.

Ontario native Ralph Rutherford worked for Dr. Allan as a field assistant in 1917 and joined the A.R.C. in 1924 as the first full-time geologist. Academic training involved several institutions – Massachusetts Institute of Technology, University of Wisconsin and U. of A. - serving as a part-time lecturer at the latter. Lack of A.R.C. funding during the Depression convinced him to become a full-time professor, a position he held until his death in 1952. He is best known for his interpretation of structure and subsurface geology of the foothills belt and adjacent plains, leading to identification of Foothills coal reserves and subsequent development and exploration of area petroleum resources. He maintained a detailed Foothills map with every drilled well plotted, benefiting many wildcatters in the post-Leduc 1940's. His work is credited with the Drayton Valley Pembina Cardium oil discovery of 400 million cubic meters two years after his death.

HIGHLIGHTS OF A YOUNG ALBERTA GEOLOGICAL SURVEY

- 1921: John Allan's Ft. McMurray salt exploration report establishes salt industry and extraction of gasoline from tar sands by heating report leads to a successful process later refined by Karl Clark;
- 1922: John Allan and Ralph Rutherford publish geological Report #4 on Drumheller Coal potential ;
- 1923: Same authors publish Report #6 on Nordegg Coal potential;
- 1924: Allan publishes first Alberta coal field map, still regularly updated by the EUB;
- 1925: Rutherford publishes milestone Report #11 on Foothills geology and mineral resources and Allan publishes milestone first geological map of the Province of Alberta. "

Willem provided unique entertainment by several re-enactment's depicting AGS pioneers and presenting the P.H.S. with a copy of "Beneath our Feet" by the Edmonton Geological Society.

STILL MAKING A DIFFERENCE AT AGE 87 – EDDIE LABORDE

Scratch the surface of this transplanted good ol' Southern boy, and a lot of Yankee horse trader emerges. That is a compliment. This is a horse trader – negotiator or deal maker – in the finest, honourable sense that the phrase conveys about talent at the delicate art of persuasion. An even better term in this case might be tiger trader.

In 1936, Eddie LaBorde raised the cash, jumped through the bureaucratic hoops and conquered a logistical jungle to bring a live Bengal tiger to the State University of Louisiana as an official team mascot. His single-minded commitment to the venture involuntarily ended his pursuit of a law degree. The Supreme Court's loss turned out to be the Alberta oilpatch's gain. There is a bit of the tiger adventure in everything LaBorde has done since.

Some drilling success in Illinois, at Centralia, then deals in Alberta – in LaBorde's early years still a frontier, where he had also done some pheasant hunting – whetted his appetite for the oil business. After service in the Second World War and the 1947 Leduc discovery, he gave up a lucrative arrangement with the Johns Manville organization to go north, change countries and negotiate oil deals. Mansville kept a light burning in its window for LaBorde for three years, but he had other, adrenaline-charged and oil-fueled ambitions.

Wherever LaBorde pitches his tent, he calls home. He swears loyalty to the tribe and does better than his share of community boosting. Along with Red Dutton, he was an owner of the Calgary Stampeders football club. He hired Jim Finks and can take a certain amount of credit and satisfaction from his role in kick-starting a legendary gridiron career. LaBorde's supporting role in founding the Oilmen's Golf Tournament organized by Kendall Hert, Avril Minor, Al Wier and George Dunlap was to attract high executives to Alberta and shift the spotlight away from Texas. It worked. It still works 50 years later.

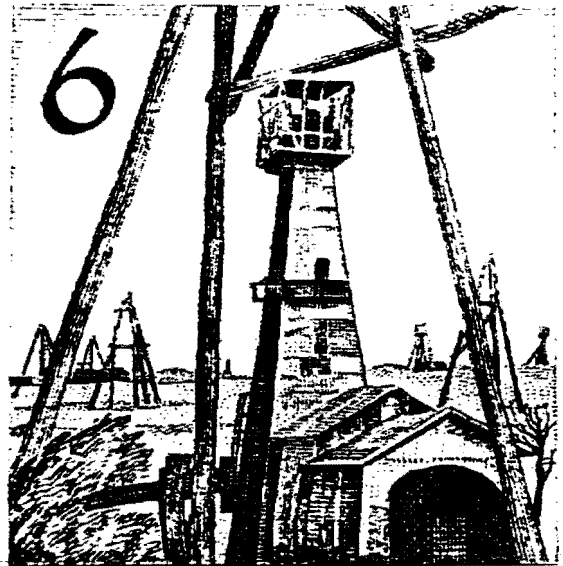
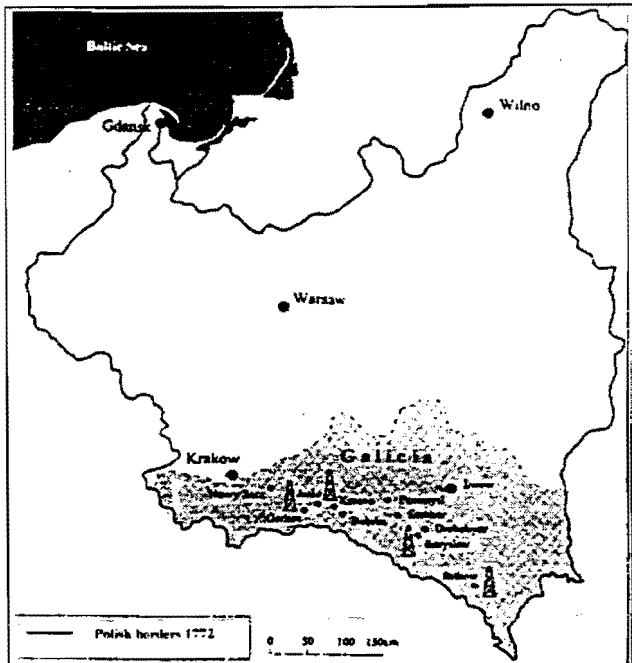
At Calgary International Airport, a bronze plaque commemorates another LaBorde feat – leadership in creating one of the finest commercial aviation hubs in North America. It was not always that way. In the late 1940s, Lethbridge was the aeronautical centre of gravity for Alberta, with one flight east and one west on sunny days. It was easier and took less time to fly to Britain from Calgary than to find a route to Houston. A president of the Calgary Chamber of Commerce, Eric Connelly, appointed LaBorde to chair the aviation committee and the spirit of the Bengal tiger adventure came back. It all culminated in LaBorde being appointed a transportation commission for air and railroads by the federal government. He served in this capacity for seven years – "between oil booms," he says. He adds, "I've given everything to Canada, except my accent."

No talk about Eddie Laborde would be complete without a couple of anecdotes from the hundred or so on file. He always used to carry a ton of cash in a money belt strapped around his waste. He lost a lease deal once because he had to go back to a bank for cash and his competitor did not. In the days when no farmer would accept anything but cash, LaBorde's tummy was a teller's wicket – and he never lost another deal. He used the direct approach elsewhere too. The government rule for staking a mineral lease claim in the Northwest Territories specified that the perimeter had to be identified with clear markers. While everyone else set out slowly over land, LaBorde hired an airplane and "bombed" picket fence stakes bearing his corporate identity over a four-million-acre land parcel in a couple of days. The courts ruled it fair, legal and clever.

This October, Eddie celebrated his 87th birthday. He is still making a difference. As a participant in a study by the University of California at Los Angeles into age-related muscular degeneration, this remarkable specimen is being put under clinical microscopes. Probably the doctors will discover the energetic genes that make him tick. Maybe they will take out a genetic patent on the guy and market it. Now that would be a natural resource to tap into!

– by GORD REID (from Oilweek Magazine, December 4, 2000, pp. 10-11). The Petroleum History Society extends its thanks to Gordon Jaremko and JuneWarren Publications for permission to reprint this article.

CANADIAN PETROLEUM PIONEERS



"While Williams brought in Canada's first well with a shovel and back-breaking labor, Drake's American discovery used only slightly less primitive cable-tool technology and steam power. Early Canadian rigs relied on foot power and the recoil of the spring pole. Steam powered rigs arrived from the United States shortly after 1860. In the early American rigs, the string of heavy tools and the chisel-edged bit hung from a manila cable – hence the phrase "cable tool drilling". In Canada, in the 1860's or 1870's, a rig emerged which suspended the drilling tools from a series of linked hardwood rods. The pole-tool rig also originated in the United States, but because Canadian drillers preferred it to the cable tool rig, it became known as the "Canadian" rig. Both rigs used a walking beam which rocked over a fulcrum called the "Samson Post", pulling and dropping the tools and bit in the bottom of the hole. A bailer replaced the drilling tools in the hole and cleaned cuttings from the bottom. Canadian entrepreneur W.H. MacGarvey helped develop the Canadian rig. He also made Canadian drilling technology and the Canadian driller famous around the world."

From "The Great Oil Age" by McKenzie-Brown, Jaremko and Finch, p. 30.

"In 1874, the oil industry in Galitzia (southern or "Austrian" Poland) consisted of 874 companies with 4000 shafts and 10,500 employees. These numbers soon showed a shrinking trend while production also took an ominous downturn as surface and shallow sources started to dry out. Meanwhile, Austrian businessmen had realized the great potential offered by "black gold" and soon maneuvered the local farmers out of the oil business. Profits then shifted to local investors and to the big capital centres in the cities of the (Austro-Hungarian) Empire. New technology proved helpful for the recovery of the Polish oil industry. Lukasiewicz's company used the same drilling methods as the oil industry in Pennsylvania with steam engines running the drilling equipment. Experienced miners from Silesia and Hungary soon migrated to the Polish oilfields in great numbers and wells were drilled to greater depths. In the 1880's the Canadian William MacGarvey introduced new drilling methods. About the same time, the engineer Stanislaw Szczepanowski started reorganizing the oil industry which soon changed its nature from that of a cottage industry to become a major modern international undertaking. MacGarvey went into partnership with the Austrian John Bergheim and in 1884 established the "Compagnie Bergheim et MacGarvey" later known as the "Galizische-Karpaten Naptha AG". The oil derricks of Galcia were big wooden structures of the so-called Canadian-Polish type, for the Canadian engineers that were hired to supervise field development. To protect workers from cold, wind and snow during the harsh local winters, derricks featured wooden walls with windows and were equipped with a central heating system using steam. The pyramidal towers were usually around 25m (80 feet) high and often included a pump to lift the oil from the 1400-1500m (4500-5000 feet) deep wells.

From "The Oil Fields of Galicia" by Morten Saebo, the Petro-Philatelist, Winter 1998, pp. 5-7.